

Message Text

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PAGE 01 NEW DE 00132 041349Z
ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 AGRE-00 COME-00 STR-04 CIAE-00
INR-07 NSAE-00 ITC-01 SP-02 L-03 CIEP-01 OMB-01
TRSE-00 /037 W
-----041354Z 067034 /41
R 041205Z JAN 77
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 385
INFO AMCONSUL BOMBAY

LIMITED OFFICIAL USE NEW DELHI 0132

E.O. 11652: N/A
TAGS: EAGR, ETRD, IN
SUBJ: COFFEE PRICES

REF: STATE 043044

1. PRICING AND OTHER INFORMATION ON INDIAN DOMESTIC COFFEE MARKET
REQUESTED REFTEL IS CONTAINED IN BOMBAY 3302, BEING REPEATED TO DEPT
SEPTTEL.

2. EMBOFF ALSO REVIEWED GOI POLICY TOWARDS COFFEE EXPORTS WITH
MINCOMMERCE DEPUTY SECRETARY S.S. BOPARAL. OF PARTICULAR CONCERN
WAS IMPACT OF HEFTY EXPORT DUTY (RS 1300 OR \$146 PER QUINTAL) IMPOSED
EARLY IN YEAR AND RAISED AGAIN IN NOVEMBER. BOPARAL REITERATED GOI
POSITION THAT, AS RELATIVELY SMALL SUPPLIER, INDIA FACED AS INTERNAT-
ONAL MARKET PRICE ON WHICH THE VOLUME OF ITS OWN SALES HAS NO EFFECT.

THUS INDIA COULD MAXIMIZE EARNINGS ONLY BY MAXIMIZING EXPORTS. IMPOSI

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TION OF EXPORT DUTY WAS INTENDED SOLELY TO MOP UP SOME OF WINDFALL
PROFIT

WHICH WOULD ACCRUE TO TRADERS AND PRODUCERS FROM SUDDEN SHARP
RISE IN WORLD COFFEE PRICES. NO DISINCENTIVES TO EXPORTS WERE

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EITHER INTENDED OR EXPECTED.

3. BOPARAL ALSO SAID EXPORT DUTY SHOULD HAVE NO EFFECT ON PRODUCTION
IN LONGER TERM. COFFEE GROWERS WERE GUARANTEED A MINIMUM PRICE BY
COFFEE BOARD WHICH HAD DEVELOPED GOOD EXPERTISE IN ANALYSIS OF
COFFEE PRODUCTION COSTS. PRICE WAS ESTABLISHED AT LEVEL TO ENSURE
ADEQUATE RETURN TO PRODUCER AND INCENTIVE TO INVEST IN EXPANSION OF

OUTPUT THOROUGH IMPROVED YEALD.

4. COMMENT: AS WE HAVE REPORTED ELSEWHERE. GOI HAS FOR PAST FEW YEARS CONDUCTED VIGROUS AND INCREASINGLY SUCCESSFUL EXPORT EXPANSION DRIVE IN ORDER TO MEET FOREIGN EXCHANGE NEEDS. COMMODITIES, BOTH MINERAL AND AGRICUTLTURAL, HAVE PALYED AN IMPORTANT PART IN THIS POLICY. GOI IS, WE BELIEVE, SINCERE IN ITS STATED DESIRE TO EXPAND COFFEE EXPORTS AT HEALTHY RATE AND, WITHIN PRIORITIES OF ITS DEVELOPMENT PROGRAM, IS TAKING STEPS TO ENCOURAGE PRODUCTION FOR THIS PURPOSE. SCHNEIDER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, EXPORTS, PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NEWDE00132
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Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770182/aaaactpv.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: dd075ddd-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3667430
Secure: OPEN
Status: NATIVE
Subject: COFFEE PRICES
TAGS: EAGR, ETRD, IN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/dd075ddd-c288-dd11-92da-001cc4696bcc
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